**Clean Water Capitalization Grant Subsidy Emerging Contaminants - IIJA, Division J, Title VI**

**FY2027 Request:** $1,273,000
**Reference No:** 64195

**AP/AL:** Appropriation
**Category:** Health/Human Services
**Location:** Statewide
**Impact House District:** Statewide (HD 1 - 40)
**Estimated Project Dates:** 07/01/2026 - 06/30/2031

**Project Type:** Water / Sewer / Solid Waste
**House District:** Statewide (HD 1 - 40)
**Contact:** Gene McCabe
**Contact Phone:** (907)269-7580

**Brief Summary and Statement of Need:**
The Department of Environmental Conservation (DEC) is required to issue subsidies as a condition of the Clean Water Loan Fund Capitalization Grant. The Infrastructure Investment and Jobs Act (IIJA) provides hundreds of millions in federal funds that will be awarded to Alaska for water and wastewater projects. The DEC currently anticipates $423.7 million in federal capitalization grants to the Alaska Clean Water and Alaska Drinking Water State Revolving Loan Funds (SRF) over the next five fiscal years. The DEC is required to subsidize a percentage of loans made from the fund. Capital appropriations are required to record that subsidy in the State's accounting system.

| Funding: | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 | FY2032 | Total |
|---|---|---|---|---|---|---|---|
| 1075 Cln Wtr Fd | $1,273,000 | $1,273,000 | $1,273,000 | $1,273,000 | $1,273,000 | | $6,365,000 |
| Total: | $1,273,000 | $1,273,000 | $1,273,000 | $1,273,000 | $1,273,000 | $0 | $6,365,000 |

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☑ Ongoing
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

**Operating & Maintenance Costs:**

| | Amount | Staff |
|---|---|---|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | |
| Totals: | 0 | 0 |

**Prior Funding History / Additional Information:**
Sec1 Ch12 SLA2025 P4 L3 SB57 $1,273,000
Sec1 Ch8 SLA2024 P11 L5 SB187 $1,273,000
Sec14 Ch1 SLA2023 P88 L6 HB39 $2,373,620
Sec11 Ch11 SLA2022 P88 L8 HB281 $989,820
Sec8 Ch1 SLA2021 P71 L29 HB69 $2,000,000
Sec1 Ch3 SLA2019 P3 L14 SB19 $1,000,000
Sec1 Ch19 SLA2018 P4 L21 SB142 $587,700
Sec1 Ch1 SLA2017 P4 L9 SB23 $587,700
Sec1 Ch18 SLA2014 P51 L10 SB119 $563,200
Sec1 Ch16 SLA2013 P63 L7 SB18 $704,000
Sec1 Ch17 SLA2012 P113 L8 SB160 $2,583,400
Sec1 Ch5 SLA2011 P81 L6 SB46 $1,826,274
Sec1 Ch43 SLA2010 P23 L16 SB230 $1,826,274

**Project Description/Justification:**

The Department of Environmental Conservation receives an annual capitalization grant from Environmental Protection Agency (EPA) that funds the Alaska Clean Water Loan Fund. Under the terms of the grant, the State is required to issue a certain amount of subsidies to grantees in the form of loan forgiveness. Funding for emerging contaminants requires that 100 percent of the federal funds be used as subsidization.

This appropriation will be used as subsidy to issue fully forgiven loans to address emerging contaminants from the additional funds made available through the federal Infrastructure Investment and Jobs Act and is required to properly record the grant as an expense in the Alaska Clean Water Loan Fund.